

Strategic Planning, Budgeting, and Accountability

Issue:

As college costs soar, state and federal investments in public higher education decline, and foreign countries ramp up their postsecondary degree production, the demand for greater cost efficiencies and accountability for student learning is growing. The U.S. Secretary of Education's (Margaret Spellings) Commission on the Future of Higher Education reflects this trend with a draft report calling for national college assessments and sweeping changes in accreditation. Whereas boards of regents once accounted mainly for expenditures, now they are increasingly being asked to demonstrate results. Performance indicators and strategic budgeting, though imperfect, are perhaps a board's most powerful tools for evaluating the university's effectiveness and facilitating improvement. But external pressures from state policymakers and the public must be balanced with faculty and administrator concerns. How can this delicate balance best be achieved?

Best Practices:

While trustees should not delve too deeply into the details of setting indicators or dictating allocations, they should push for results by continually monitoring performance at the macro level. Joseph C. Burke, writing for the Association of Governing Boards of Universities and Colleges, identifies seven probing questions trustees should ask about institutional performance.

1. What is the trend of your campus results on the critical indicators your state or campus administration identified?
2. How do these results compare with those of similar institutions in your state, region, and the nation?
3. What are the unique indicators that reflect the special mission of your college or university, and how is your campus performing on those measures?
4. What is the record of your schools, divisions, and departments on common and unique indicators?
5. How does your institution use performance results in planning, programming, and budgeting?
6. What do your institutional results reveal about how well campus programs and practices meet the needs of the students?
7. How does your campus assess the knowledge and skills your students acquire from admission to graduation, and how does it use the results to improve performance?

Resources:

From the Association of Governing Boards of Universities and Colleges:

- Butler, Lawrence. *The Board's Role in Strategic Planning*. 2006.
- Chabotar, Kent John. *Strategic Finance: Planning and Budgeting for Boards, Chief Executives, and Finance Officers*. 2006.
- Ewell, Peter. *Making the Grade: How Boards Can Ensure Academic Quality*. 2006.

Sources Consulted:

- Burke, Joseph C. "Accountability for Results—Ready or Not." *Trusteeship*, January/February 2002: 8-13.
- Burke, Joseph C. "Ten Ways to Track Performance." *Trusteeship*, January/February 2002: 14-18.
- Dickmeyer, Nathan. "Is it Time to Take a Courageous Leap?" *Trusteeship*, May/June 2006: 23-27.
- Jones, Dennis. "Strategic Budgeting: The Board's Role in Public Colleges and Universities." AGB Occasional Paper No. 28.
- Ponder, Anne. "A Four-Page Strategic Plan." *Trusteeship*, March/April 2000: 20-23.